

FISCAL NOTE

Bill #: HB0380

Title: Revise requirements for management of coal bed methane product water

Primary Sponsor: Lindeen, M

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	FY 2004 Difference	FY 2005 Difference
Expenditures:	\$0	\$0
Revenue:	\$0	\$0
Net Impact on General Fund Balance:	\$0	\$0

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|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

Department of Environmental Quality

1. The Water Quality Discharge Permitting program will process permit applications as received and collect appropriate fees.
2. Any additional workload will be assimilated into the program as part of the normal workload.
3. As coal bed methane development occurs in Montana, there may be a future need for increased staff to address the additional permitting workload. This workload increase is only speculative; any additional workload will be analyzed and addressed in the department's budget preparation for the 2007 biennium.
4. There are no direct fiscal impacts to DEQ because of this bill for the 2005 biennium.

TECHNICAL NOTES:

Department of Natural Resources and Conservation

1. HB 380 requires a discharge permit from the Department of Environmental Quality (DEQ) for the discharge of unaltered groundwater if it is produced from a coal bed methane (CBM) well. HB 380 prohibits issuance of such permits by DEQ unless their Board of Environmental Review adopts numeric standards. If the board's technical review concludes that numeric standards are not appropriate, HB 380 as written would prevent any coal bed methane operator from utilizing surface use options for produced water. Leasing activity, exploration and development interest, and royalty revenue to the school trust could be adversely impacted.